

# CAPITAL IMPROVEMENT PROGRAM

## SUMMARY

The County's Capital Improvement Program (CIP) includes construction, rehabilitation, and repair projects for numerous facilities and structures. Solid Waste Management and Transportation Division projects are administered by the Department of Public Works (DPW). Architecture and Engineering Department (A&E) administers projects for Arrowhead Regional Medical Center (ARMC), Community Development and Housing (CDH), Airports, Regional Parks and other general fund departments. Regional Parks Department administers some grant funded CIP projects such as countywide hiking, biking and equestrian trails. These may eventually be assigned to A&E after planning and scope of work is determined.

Table 1 provides a summary of all new projects for 2007-08. The CIP budget includes \$22,800,000 from the general fund financing, which includes \$1,500,000 for three approved policy items. Of the total funding from the general fund of \$22,800,000, \$19,300,000 is considered ongoing and \$3,500,000 is considered one-time funding for various deferred maintenance/infrastructure projects. Several projects are being funded from department budgets and other funding sources that the Board of Supervisors has discretionary control over in the amount of \$1,462,500 and there are numerous projects with restricted funding sources from dedicated sources for dedicated purposes (for example, Airports, Regional Parks grants, Transportation and Solid Waste projects) in the amount of \$45,552,680. The total 2007-08 New CIP Projects budget is \$69,815,180.

**Table 1**

SUMMARY OF 2007-08 NEW CIP PROJECTS					
	# of Projects	General Fund Local Cost	Other Discretionary Funding	Restricted Funding	Total
<b>NEW PROJECTS ADMINISTERED BY A&amp;E:</b>					
Total New Projects (Fund CJV)	49	22,800,000	962,500	9,500,800	33,263,300
Airports New Projects (Various Funds)	11	-	-	4,350,000	4,350,000
<b>Total New Projects Administered by A&amp;E</b>	<b>60</b>	<b>22,800,000</b>	<b>962,500</b>	<b>13,850,800</b>	<b>37,613,300</b>
<b>NEW PROJECTS ADMINISTERED BY OTHER DEPARTMENTS:</b>					
<b>Regional Parks New Projects</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>595,500</b>	<b>595,500</b>
<b>Dept. of Public Works (DPW) New Projects:</b>					
Transportation New Projects (Various Funds)	44	-	500,000	14,676,380	15,176,380
Solid Waste Mgmt New Projects (Various Funds)	17	-	-	16,430,000	16,430,000
<b>Total New Projects - DPW</b>	<b>61</b>	<b>-</b>	<b>500,000</b>	<b>31,106,380</b>	<b>31,606,380</b>
<b>TOTAL NEW CIP PROJECTS</b>	<b>124</b>	<b>22,800,000</b>	<b>1,462,500</b>	<b>45,552,680</b>	<b>69,815,180</b>

Details on capital projects administered by A&E are provided in:

- Exhibit A – 2007-08 Capital Improvement Program New Projects Administered by Architecture and Engineering by District by Location
- Exhibit B – 2007-08 Capital Improvement Program New Projects Administered by Architecture and Engineering – Airports.

Details on capital projects administered by Regional Parks are provided in:

- Exhibit C – 2007-08 Capital Improvement Program New Projects Administered by Regional Parks





Details on capital projects administered by the Department of Public Works are provided in:

- Exhibit D – 2007-08 Capital Improvement Program New Projects Administered by Department of Public Works – Transportation
- Exhibit E – 2007-08 Capital Improvement Program New Projects Administered by Department of Public Works – Solid Waste Management.

A summary of the status of previously approved CIP projects still in progress administered by A&E is provided in:

- Exhibit F – 2007-08 Carryover Projects Administered by Architecture and Engineering by District by Location (Funds CJV and CJS)
- Exhibit G – 2007-08 Arrowhead Regional Medical Center (ARMC) Carryover Projects (Fund CJZ)
- Exhibit H – 2007-08 Airports Carryover Projects (Various Funds)
- Exhibit I – 2007-08 Regional Parks Carryover Projects (Various Funds).

A summary of the status of previously approved CIP projects still in progress administered by the Department of Public Works is attached as:

- Exhibit J – 2007-08 Transportation Carryover Projects (Various Funds)
- Exhibit K – 2007-08 Solid Waste Management Carryover Projects (Various Funds).

Carryover balances have been adjusted based on ending balances as of June 30, 2007. A new fund was established for ARMC Capital Projects in the final budget to account for ARMC projects separately. The medical center is considered an asset of the Medical Center Enterprise Operation and needs to be shown on the Medical Center Financial Statements. By moving ARMC Capital Projects to a separate fund, asset expenditures can be accounted for correctly. ARMC Capital Projects are now detailed in Exhibit G. The total 2007-08 Carryover Balances is \$225,254,741. Table 2 provides a summary of all Carryover Projects.

**Table 2**

<b>SUMMARY OF 2007-08 CARRYOVER BALANCES</b>					
	<b># of Proj.</b>	<b>General Fund Local Cost</b>	<b>Other Discretionary Funding</b>	<b>Restricted Funding</b>	<b>Total</b>
<b>CARRYOVER PROJECTS ADMINISTERED BY A&amp;E:</b>					
Structures & Improvements to Structures (Fund CJV)	168	44,900,532	15,218,234	37,571,088	97,689,854
Contributions to Other Agencies (Fund CJV)	14	5,188,009	-	-	5,188,009
Contributions to Non-Owned Projects (Fund CJV)	3	-	-	707,793	707,793
High Desert Juvenile Detention Center (Fund CJS)	1	208,661	-	-	208,661
ARMC Capital Funds (Fund CJZ)	4	-	-	28,217,315	28,217,315
Airports Carryover Projects (Various Funds)	40	-	-	40,952,806	40,952,806
<b>Total A&amp;E Carryover Projects</b>	<b>230</b>	<b>50,297,202</b>	<b>15,218,234</b>	<b>107,449,002</b>	<b>172,964,438</b>
<b>CARRYOVER PROJECTS ADMINISTERED BY OTHER DEPARTMENTS:</b>					
<b>Regional Parks Carryover Projects</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>7,913,455</b>	<b>7,913,455</b>
<b>Dept. of Public Works (DPW) Carryover Projects:</b>					
Transportation Carryover Projects (Various Funds)	43	-	6,450,000	19,704,567	26,154,567
Solid Waste Mgmt Carryover Projects (Various Funds)	14	-	-	18,222,281	18,222,281
<b>Total Carryover Projects - DPW</b>	<b>57</b>	<b>-</b>	<b>6,450,000</b>	<b>37,926,848</b>	<b>44,376,848</b>
<b>TOTAL CARRYOVER PROJECTS</b>	<b>297</b>	<b>50,297,202</b>	<b>21,668,234</b>	<b>153,289,305</b>	<b>225,254,741</b>





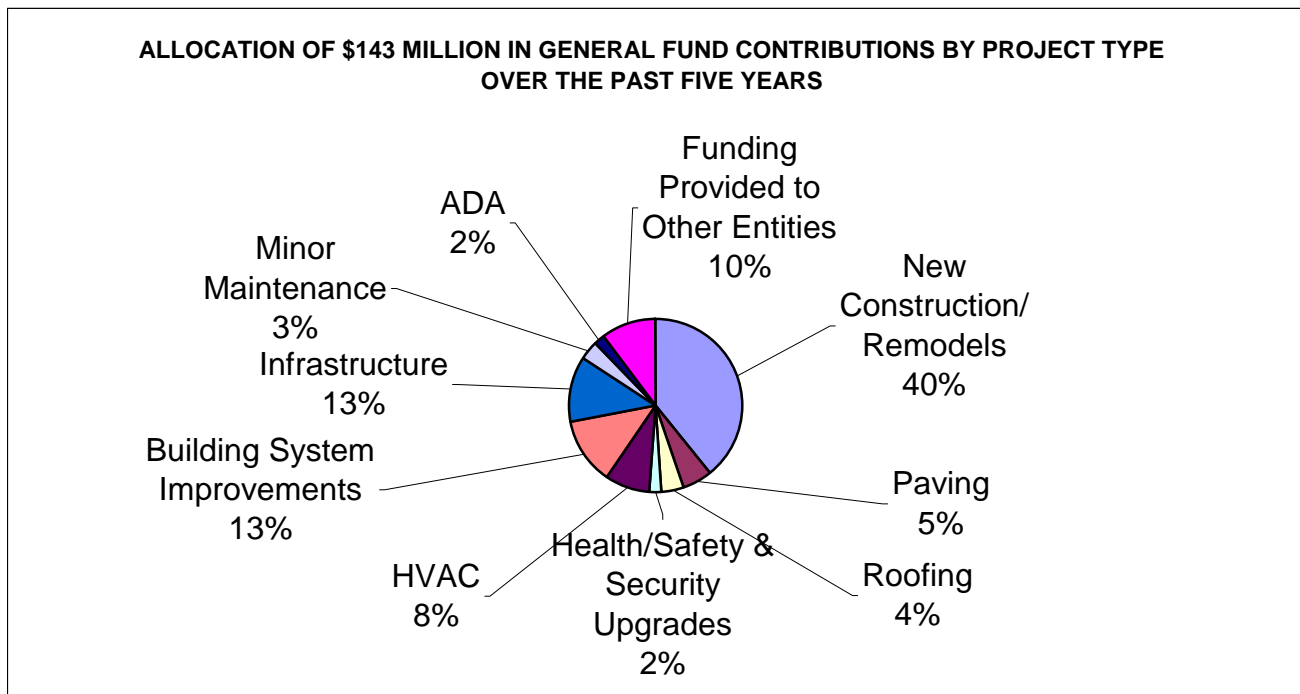
A&E completed 76 projects in 2006-07 (including some multi-year projects) with original project budgets totaling \$26,177,528 and contributions were made to other agencies in the amount of \$6,125,000 for 12 projects that provide benefits to County residents [see Exhibit L – 2006-07 Completed Projects Administered by Architecture and Engineering (Fund CJV)]. Local cost completed projects had a remaining balance (or savings) of \$510,503. This amount was retained in A&E Carryover Projects as contingency for 2007-08 A&E CIP projects. Other Discretionary Funding and Restricted Funding projects were under budget by \$1,341,928. Projects with negative ending balances will be reimbursed to CIP in 2007-08.

## FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM PLAN

The Five-Year Capital Improvement Program Plan (Five-Year CIP) includes short-range and long-range capital acquisition and development plans. Projects included in the Five-Year CIP are non-recurring projects that are expensive, have a long service life, and will be underway (or need to be underway, but are unfunded) at some point during 2007-08 through 2012-13.

### THE LAST FIVE YEARS

Over the past five years, the Board of Supervisors has allocated over \$143 million in general fund contributions for the CIP. The following chart indicates how those resources have been allocated by project type:



### PROPOSED FIVE-YEAR CIP

The Five-Year CIP is reviewed annually and revised based on current circumstances and opportunities and considers historic requirements and expenditures for capital projects. While the Five-Year Plan does not appropriate funds, it does serve as a budgeting tool to set priorities, identify needed capital projects, estimate capital requirements, and coordinate financing and timing. It identifies projects for annual funding, focuses resources in program areas, and supports Business and Master Space Plan recommendations. It also identifies project impacts on future operating budgets, including additional staffing, maintenance, and other recurring operational expenditures that require ongoing funding and must be considered in the planning and approval of projects.





The current general fund annual allocation for CIP projects is \$19.3 million. That funding has been programmed over the next five years and is summarized on Exhibit M – 2007-08 through 2012-13 Five-Year Capital Improvement Program and includes capital expenditures as well as operating cost impacts for identified projects.

## CIP NEEDS ADDRESSED IN THIS PLAN

The Five-Year CIP addresses the following needs:

- **Departmental Requirements**
  - Carpet/paint
  - Minor remodels
  - Restroom upgrades/ADA improvements
- **Building Systems**
  - Backlog of deferred maintenance
  - Moving towards emphasis on Preventative Maintenance
- **Site Infrastructure**
  - Building exteriors, landscaping, irrigation and lighting
  - Increases parking and provides a pavement management plan
- **New Projects**
  - Allocates \$5-7 million/year un-programmed for new projects

## MAJOR PROJECTS PREVIOUSLY FUNDED

The Five-Year CIP does not include larger projects that may require debt financing. The following major projects have been approved and funding is in process.

- **Master Space Plan Implementation** - The County encompasses 20,000 square miles and decentralization of facilities is required to serve the needs of each community. The County has owned facilities in each region, but expansion space is very limited. New short-term space needs have been addressed through the leasing of space, however, several areas support the development or expansion of government center due to the critical mass of services being provided in those areas. In the 2006-07 budget, the Board of Supervisors approved the annual set-aside of \$20 million for future space needs. The 2007-08 budget also includes \$20 million. This annual set-aside, net of expenditures incurred for design costs, is projected to have an estimated reserve balance of \$39.6 million at the end of 2007-08. Projects to be funded by this set-aside through debt financing include office space needs in San Bernardino and the high desert and a new crime lab for the Sheriff:
  - Downtown San Bernardino – 500,000 Square Feet of New Construction and Reuse of 385,000 Square Feet – Approximately \$300 million
  - High Desert Government Center – 60,000 Square Feet - \$22 million
  - Sheriff's Crime Lab - \$25 million
- **Jail Beds** – The Sheriff has identified a need to add 3,200 beds by 2010 for a total of approximately 10,000 beds. The high desert population is expected to increase from 335,000 to 650,000 by 2030. 26% of the County's adult detention population resides there. To address the shortage of jail beds, the Board has approved the expansion of the Adelanto Detention Center. Acquired in 2005, the facility currently provides 706 beds. A new project is in design to add 912 beds with future expansion of 456 beds for a total of 2,074 beds. Beginning in 2004-05, the Board of Supervisors approved an ongoing \$7 million set-aside for future jail expansion needs. This annual set-aside, net of expenditures incurred for design costs, is projected to have an estimated reserve balance of \$23.4 million at the end of 2007-08.
  - Adelanto Detention Center – 912 beds – \$111 million - Design for this expansion began in 2006-07, will be completed in January 2008, and construction is currently estimated to begin in March 2008 after a formal bidding process. During 2008-09, staff estimates start-up costs of \$0.9 million for training at the Sheriff's Academy in preparation for an early 2010 opening. Full-year costs to operate the expansion are currently projected at \$20.8 million.





- **Arrowhead Regional Medical Center** - The hospital has reached bed capacity. A project to convert 6<sup>th</sup> floor administrative space to medical/surgical beds and to construct a new Medical Office Building is in process. The cost of the expansion is expected to be funded from Realignment.
  - Addition of Medical/Surgical Beds – 84 Beds - \$30 million
  - New Medical Office Building – 60,000 Square Feet - \$18 million

The associated revenue and operating costs for the additional 84 Medical/Surgical Beds are expected to net the hospital an additional \$10 million in profit annually with an anticipated \$61 million in revenue and approximately \$51 million in operating costs. Additionally, the operating costs associated with the new Medical Office Building are expected to be approximately \$300,000 annually for the structure itself. Staff for this building are primarily existing staff that are being relocated from the 6<sup>th</sup> floor as a result of the remodel.

- **Central Juvenile Hall** - Juvenile needs system-wide have increased an average of 176 beds/year over the past ten years. While new facilities were constructed in the West Valley and the High Desert in the past five years, the Central Juvenile Hall facility in San Bernardino was constructed in the 1950's and 1970's and the facilities require major updates and renovations. Assessments were conducted and evaluated and as a result, the Board has approved a plan to consolidate the existing facility from 25 to 14.8 acres, demolish the 1950's and 1970's buildings and build new facilities. A Juvenile Maximum Security reserve has been established and \$13.9 million has been accumulated to date. \$4 million of the annual CIP budget of \$19.3 million is planned to finance approximately \$49.3 million.
  - Replace Existing Central Juvenile Hall Facility - \$63.2 million – Staff estimates that pre-design will begin in January 2008. Existing staff will be assigned to assist the A&E Department during this phase, during construction – currently estimated to begin in September 2009, and for the transition team beginning in July 2011, as the project nears completion. There may be increased costs for facility security and transportation of juveniles to court from temporary housing at other juvenile halls; however, it is too early in the process to identify specific concerns. The facility is expected to be operational in April 2012. Based on current population projections, existing staffing levels would be sufficient for the new Central Juvenile Hall.

## MAJOR PROJECTS FOR FUTURE FUNDING

- **Public Safety Operations Center (PSOC)** - The County Fire and Sheriff Public Safety Operations are currently co-located in inadequate modular/trailer facilities at the Rialto Airport. A needs assessment is in process to determine requirements for a new Public Safety Operations Center. The needs assessment to be completed the end of 2007 will identify requirements to co-locate Sheriff and Fire Dispatch centers, the County's Emergency Operations Center (EOC), and 800 MHz infrastructure support group in one location in near proximity to the County Government Center.
- **Additional Jail Beds** – While the addition of jail beds at Adelanto will address some of the future requirements, other expansions may be considered in the future.
  - Glen Helen Detention Facility – Expand 448 beds at a cost of \$43 million using \$10.4 million of ongoing funding for debt service (daily count today is 1,300 inmates).
  - Apple Valley – Develop 3,000 bed adult detention facility at an estimated \$380 million cost. Requires \$26.3 million in annual debt service.
- **Law & Justice Space related to New Judgeships** – Five new judicial positions were added the end of 2006-07 and three to eleven more are expected to be added in 2007-08, some of which may be criminal courts. The addition of each criminal judicial position requires the addition of about 12 District Attorney/Public Defender staff requiring approximately 3,000 square feet of additional space in close proximity to the courthouses. Three areas have the greatest need for new judgeships.
  - Victorville
  - Fontana
  - Morongo



- **Major New Facilities**

- High Growth Areas – A critical mass of centralized services is developing and expansion of government centers may be considered in the west end of the San Bernardino Valley and the Morongo Basin area.
- New Parks, Museums and Libraries – As population increases, the need for additional recreation and learning facilities increases.

